

Message Text

CONFIDENTIAL

PAGE 01 ADDIS 04019 021338Z

64

ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
----- 027751

R 021247Z APR 76

FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 8815

C O N F I D E N T I A L ADDIS ABABA 4019

EXDIS

E.O. 11652: GDS

TAGS: ECON EAID EFIN MASS MPOL ET US

SUBJECT: CONSIDERATIONS CONCERNING INFORMING THE EPMG OF THE
ECONOMIC IMPACT OF ITS MILITARY PROCUREMENT PLANS

REF: A. ADDIS 3304, B. ADDIS 3249

1. AS INDICATED IN REF B EMBASSY WISHES TO EXPLORE WITH DEPT
ADVANTAGES AND DISADVANTAGES OF INFORMING APPROPRIATE EPMG
OFFICIALS OF THE ECONOMIC IMPLICATIONS OF EPMG MILITARY
PROCUREMENT INTENTIONS, AS WE CURRENTLY UNDERSTAND THEM.

2. THE ADVANTAGES FROM OUR VIEWPOINT ARE AS FOLLOWS: (A) THE
EPMG HAS PROBABLY NOT RPT NOT TAKEN A COMPREHENSIVE LOOK AT
THE OVERALL COSTS OF ITS MILITARY PROCUREMENT PLANS, ESPECIALLY
FOR THE OUTYEARS; (B) OVER THE YEAR OR SO DURING WHICH
WE HAVE BEEN COMPILING AND COSTING EPMG MILITARY PROCUREMENT
INTENTIONS THERE HAS BEEN A SUBSTANTIAL UPWARD TREND; (C)
ASSUMING OUR RELATIONS WITH ETHIOPIA CONTINUE TO BE REASONABLY
FRIENDLY, WE WOULD APPEAR TO BE OBLIGATED TO SHARE OUR ASSESSMENT
WITH THEM, NOT LEAST BECAUSE IF FUTURE FINANCIAL
DIFFICULTIES ARISE THE GOVERNMENT COULD BLAME US FOR NOT
INFORMING THEM OF THE COST IMPLICATIONS OF THEIR PROCUREMENT
FROM US; (D) THE EPMG REQUIRES THIS KIND OF INFORMATION IF IT IS
TO ASSESS THE POTENTIAL IMPACT OF ITS MILITARY PROCUREMENT ON
ITS DEVELOPMENTAL EXPENDITURES AND ON THE ATTITUDES OF
INTERNATIONAL DONORS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ADDIS 04019 021338Z

3. THE DISADVANTAGES INCLUDE: (A) THE POSSIBILITY THAT THE

EPMG COULD MISCONSTRUE OUR APPROACH AS AN ATTEMPT TO ENCOURAGE THEM TO REDUCE OUTLAYS FOR MILITARY PROCUREMENT OR AS A SIGNAL THAT WE INTEND TO LIMIT THEIR ACCESS TO OUR MILITARY EQUIPMENT AND SERVICES EVEN ON A CASH BASIS; (B) GIVEN ETHIOPIA'S FAVORABLE FOREIGN EXCHANGE RESERVE POSITION AND REASONABLY GOOD BALANCE OF PAYMENTS OUTLOOK FOR THE NEXT YEAR OR TWO, THE EPMG CAN PROBABLY MANAGE THE PROJECTED LEVELS OF MILITARY PROCUREMENT OVER THE SHORT RUN; (C) IT IS POSSIBLE THAT DURING THE PERIOD THE EPMG OR A SUCCESSOR GOVERNMENT MIGHT REDUCE ITS LEVEL OF PROCUREMENT OF ITS OWN ACCORD BECAUSE OF COMPETING DEMANDS FOR RESOURCES, A REDUCTION IN ITS PERCEPTION OF THE THREATS ETHIOPIA FACES, OR FOR OTHER REASONS, MAKING AN APPROACH UNNECESSARY.

4. THERE ARE ALSO OTHER CONSIDERATIONS. FOR EXAMPLE, WE ARE NOT SURE WHAT OUR OBLIGATIONS ARE WHEN SELLING ARMS TO A FOREIGN COUNTRY TO MAKE CLEAR TO THE RECIPIENT GOVERNMENT THE IMPLICATIONS OF ITS PROCUREMENT. HOW THIS IS PRESENTED TO THE EPMG AND THE TIMING OF THE PRESENTATION COULD ALSO HAVE A BEARING ON THE EPMG'S INTERPRETATION OF OUR MOTIVES IN PROVIDING IT.

5. IT SEEMS TO US THAT TWO COURSES ARE OPEN. A. BECAUSE OF THE ADVANTAGES GIVEN ABOVE AND OUR OBLIGATIONS TO INFORM THE EPMG (IF ANY) THE EMBASSY COULD PROVIDE TO THE EPMG A CAREFULLY PREPARED DOCUMENT CONTAINING THE RELEVANT MATERIAL. ITS CONTENTS, THE METHOD BY WHICH IT WOULD BE CONVEYED, AND THE TIMING WOULD ALL BE CLEARED WITH THE DEPT. B. THE OTHER OPTION IS TO DO NOTHING FOR THE TIME BEING FOR THE REASONS CITED IN PARA 3. IN THIS CASE THE EMBASSY WOULD NEED CONFIRMATION FROM THE DEPT THAT THIS IS THE APPROVED COURSE.

6 THE EMBASSY PREFERS COURSE A. PLEASE ADVISE.
HUMMEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT PROCUREMENT, MILITARY EQUIPMENT, GOVERNMENT REACTIONS, INFORMATION CONTROL, COST ESTIMATES
Control Number: n/a
Copy: SINGLE
Draft Date: 02 APR 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976ADDIS04019
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760125-0648
From: ADDIS ABABA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t197604106/aaaadmsq.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2004 by MartinML>; APPROVED <04 NOV 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CONSIDERATIONS CONCERNING INFORMING THE EPMG OF THE ECONOMIC IMPACT OF ITS MILITARY PROCUREMENT PLANS
TAGS: ECON, EAID, EFIN, MASS, MPOL, ET, US
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006